

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	413,717
Cash	790
Total Cash and Equivalents	414,507
Total Receivable	0
Investments:	
Fixed Income	5,306,034
Equities	9,839,063
Pooled/Common/Commingled Funds:	
Equity	1,535,796
Total Investments	16,680,893
Total Assets	17,095,400
<u>LIABILITIES</u>	
Payables:	
Unearned Revenue	3,087
Total Liabilities	3,087
NET POSITION RESTRICTED FOR PENSIONS	17,092,313

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	250,545	
City	248,486	
State	168,105	
 Total Contributions		 667,136
 Investment Income:		
Net Increase in Fair Value of Investments	(537,718)	
Interest & Dividends	432,226	
Less Investment Expense ¹	(105,767)	
 Net Investment Income		 (211,259)
 Total Additions		 455,877

DEDUCTIONS

Distributions to Members:

Benefit Payments	873,074	
Lump Sum DROP Distributions	30,247	
Refunds of Member Contributions	195,054	
 Total Distributions		 1,098,375
 Administrative Expense		 46,291
 Total Deductions		 1,144,666
 Net Increase in Net Position		 (688,789)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		17,781,102
End of the Year		17,092,313

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2015)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a.) Two City residents appointed by the City Commission,
- b.) Two Police Officers elected by a majority of Police Officers and
- c.) A fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	31
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	65
	106

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of 1.) Age 52 (Age 50 for Members eligible for Normal Retirement as of October 1, 2015 under the prior provisions) and the completion of 25 Years of Credited Service, or 2.) Age 55 and the completion of 10 years of Credited Service.

Benefit: 3.00% of Average Final Compensation times Credited Service prior to May 27, 2003, and 2.00% for each year between May 27, 2003, and September 30, 2009 and 2.5% for each year of Credited Service between October 1, 2009 and September 30, 2015; and 3.00% for each year of Credited Service thereafter.

Early Retirement:

Date: Age 50 (Age 45 for Members who will be eligible for Early Retirement as of October 1, 2015 under the prior provisions) and completion of 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3.0% per year.

Vesting (Termination of Employment):

Less than 10 years: Refund of Member Contributions.

10 years or more: Accrued pension payable on a reduced basis at Normal (unreduced) or Early (reduced) Retirement Date.

Disability:

Eligibility: Total and permanent; Medical proof required. 10 years of Credited Service required for non-service incurred disability benefit.

Benefit: Service Connected: Greater of accrued benefit or 50% of Average Final Compensation.

Non-Service Connected: Greater of accrued benefit or 25% of Average Final Compensation.

Pre-Retirement Death Benefit:

Service Connected: Beneficiary receives a monthly benefit which can be provided by the greater of: 1.) present value of Member's accrued benefit, or 2.) lesser of 24 times the Member's Average Final Compensation, or 100 times the Member's anticipated normal retirement benefit.

Non-Service Connected: If less than 10 years of service, beneficiary receives a refund of Member contributions; otherwise, same as service connected benefits.

Contributions

Member Contributions: 7.65% of Salary.

City Contributions: Amount required after State premium tax refunds in order to pay current costs and amortize unfunded past service cost, as provided in Part VII, Chapter 112, Florida Statutes.

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Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	20%
Global Fixed Income	5%
TIPS	5%
Real Estate	10%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2015, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -1.21 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2015 is \$147,712.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 17,840,214
Plan Fiduciary Net Position	<u>\$ (17,092,313)</u>
Sponsor's Net Pension Liability	<u>\$ 747,901</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	95.81%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.20%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate: RP-2000 Table with no projection, disabled lives set forward 5 years. We believe this sufficiently accounts for future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on December 8, 2009, for the period 1988-2009.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
TIPS	2.50%
Real Estate	4.50%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Sponsor's Net Pension Liability	\$ 2,876,679	\$ 747,901	\$ (1,050,712)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	583,726	612,234	568,199
Interest	1,401,184	1,299,397	1,219,007
Changes of benefit terms	390,863	-	-
Differences between Expected and Actual Experience	(1,091,580)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,098,375)	(822,819)	(765,084)
Net Change in Total Pension Liability	185,818	1,088,812	1,022,122
Total Pension Liability - Beginning	17,654,396	16,565,584	15,543,462
Total Pension Liability - Ending (a)	<u>\$ 17,840,214</u>	<u>\$ 17,654,396</u>	<u>\$ 16,565,584</u>
Plan Fiduciary Net Position			
Contributions - Employer	248,486	371,964	406,147
Contributions - State	168,105	160,225	155,997
Contributions - Employee	250,545	258,985	276,198
Net Investment Income	(211,259)	1,868,068	1,685,318
Benefit Payments, including Refunds of Employee Contributions	(1,098,375)	(822,819)	(765,084)
Administrative Expense	(46,291)	(43,005)	(31,140)
Net Change in Plan Fiduciary Net Position	(688,789)	1,793,418	1,727,436
Plan Fiduciary Net Position - Beginning	17,781,102	15,987,684	14,260,248
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,092,313</u>	<u>\$ 17,781,102</u>	<u>\$ 15,987,684</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 747,901</u>	<u>\$ (126,706)</u>	<u>\$ 577,900</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	95.81%	100.72%	96.51%
Covered Employee Payroll*	\$ 3,476,535	\$ 3,385,424	\$ 3,610,429
Net Pension Liability as a percentage of Covered Employee Payroll	21.51%	-3.74%	16.01%

Notes to Schedule:*Changes of benefit terms:*

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:

- 3.00% times Credited Service earned prior to May 27, 2003, plus
- 2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus
- 2.50% times Credited Service earned between October 1, 2009 and September 30, 2015, plus
- 3.00% times Credited Service earned on and after October 1, 2015.

*For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	416,591	532,189	562,144
Contributions in relation to the Actuarially Determined Contributions	416,591	532,189	562,144
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 3,476,535	\$ 3,385,424	\$ 3,610,429
Contributions as a percentage of Covered Employee Payroll	11.98%	15.72%	15.57%

*For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Frozen Entry Age Actuarial Cost Method.
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 29 Years (as of 10/01/2013).
 Asset Valuation: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
 Inflation: 3.0% per year.
 Salary Increases: 5.2% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non-regular compensation.
 Interest Rate: 7.75% per year, compounded annually, net of investment related expenses.
 Payroll Growth Assumption: 2.9% annually for amortizing UAAL.
 Cost-of-Living Adjustment: None.
 Retirement Age: 100% at first eligibility for Normal Retirement. Also, any Member who has reached Normal Retirement eligibility is assumed to continue employment for one additional year.
 Early Retirement: Commencing at eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.
 Termination Rates: See table below.
 Disability Rates: See table below. It is assumed that 75% of disablements and active member deaths are service related.
 Mortality: RP-2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.0%	0.07%
30	7.5%	0.11%
40	3.9%	0.19%
50	1.2%	0.51%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>09/30/2015</u>	<u>09/30/2014</u>	<u>09/30/2013</u>
Annual Money-Weighted Rate of Return			
Net of Investment Expense	-1.21%	11.76%	11.80%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2015)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a.) Two City residents appointed by the City Commission,
- b.) Two Police Officers elected by a majority of Police Officers and
- c.) A fifth Member elected by the Board and appointed (as a ministerial duty) by the City Commission.

Each person employed by the City Police Department as a full-time Police Officer becomes a Member of the Plan as a condition of his employment. All Members are therefore eligible for all plan benefits as provided for in the plan document and by applicable law.

Plan Membership as of October 1, 2014:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	31
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	65
	106
	106

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of 1.) Age 52 (Age 50 for Members eligible for Normal Retirement as of October 1, 2015 under the prior provisions) and the completion of 25 Years of Credited Service, or 2.) Age 55 and the completion of 10 years of Credited Service.

Benefit: 3.00% of Average Final Compensation times Credited Service prior to May 27, 2003, and 2.00% for each year between May 27, 2003, and September 30, 2009 and 2.5% for each year of Credited Service between October 1, 2009 and September 30, 2015; and 3.00% for each year of Credited Service thereafter.

Early Retirement:

Date: Age 50 (Age 45 for Members who will be eligible for Early Retirement as of October 1, 2015 under the prior provisions) and completion of 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3.0% per year.

Vesting (Termination of Employment):

Less than 10 years: Refund of Member Contributions.

10 years or more: Accrued pension payable on a reduced basis at Normal (unreduced) or Early (reduced) Retirement Date.

Disability:

Eligibility: Total and permanent; Medical proof required. 10 years of Credited Service required for non-service incurred disability benefit.

Benefit: Service Connected: Greater of accrued benefit or 50% of Average Final Compensation.

Pre-Retirement Death Benefit:

Service Connected: Beneficiary receives a monthly benefit which can be provided by the greater of: 1.) present value of Member's accrued benefit, or 2.) lesser of 24 times the Member's Average Final Compensation, or 100 times the Member's anticipated normal retirement benefit.

Non-Service Connected: If less than 10 years of service, beneficiary receives a refund of Member contributions; otherwise, same as service connected benefits.

Contributions

Member Contributions: 7.65% of Salary.

City Contributions: Amount required after State premium tax refunds in order to pay current costs and amortize unfunded past service cost, as provided in Part VII, Chapter 112, Florida Statutes.

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Net Pension Liability

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2014 through September 30, 2015.

The Sponsor's Net Pension Liability was measured as of September 30, 2015.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	5.20%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate: RP-2000 Table with no projection, disabled lives set forward 5 years. We believe this sufficiently accounts for future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on December 8, 2009, for the period 1988-2009.

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	20%	2.50%
Global Fixed Income	5%	3.50%
TIPS	5%	2.50%
Real Estate	10%	4.50%
Total	<u>100%</u>	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 17,654,396	\$ 17,781,102	\$ (126,706)
Changes for a Year:			
Service Cost	583,726	-	583,726
Interest	1,401,184	-	1,401,184
Differences between Expected and Actual Experience	(1,091,580)	-	(1,091,580)
Changes of assumptions	-	-	-
Changes of benefit terms	390,863	-	390,863
Contributions - Employer	-	248,486	(248,486)
Contributions - State	-	168,105	(168,105)
Contributions - Employee	-	250,545	(250,545)
Net Investment Income	-	(211,259)	211,259
Benefit Payments, including Refunds of Employee Contributions	(1,098,375)	(1,098,375)	-
Administrative Expense	-	(46,291)	46,291
Net Changes	185,818	(688,789)	874,607
Balances at September 30, 2015	\$ 17,840,214	\$ 17,092,313	\$ 747,901

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 2,876,679	\$ 747,901	\$ (1,050,712)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended September 30, 2015, the Sponsor will recognize a Pension Expense of \$649,728.

On September 30, 2015, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	909,650
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	877,483	-
Total	<u>\$ 877,483</u>	<u>\$ 909,650</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2016	\$ 5,845
2017	\$ 5,845
2018	\$ 5,845
2019	\$ 132,228
2020	\$ (181,930)
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	583,726	612,234	568,199
Interest	1,401,184	1,299,397	1,219,007
Changes of benefit terms	390,863	-	-
Differences between Expected and Actual Experience	(1,091,580)	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,098,375)	(822,819)	(765,084)
Net Change in Total Pension Liability	185,818	1,088,812	1,022,122
Total Pension Liability - Beginning	17,654,396	16,565,584	15,543,462
Total Pension Liability - Ending (a)	<u>\$ 17,840,214</u>	<u>\$ 17,654,396</u>	<u>\$ 16,565,584</u>
Plan Fiduciary Net Position			
Contributions - Employer	248,486	371,964	406,147
Contributions - State	168,105	160,225	155,997
Contributions - Employee	250,545	258,985	276,198
Net Investment Income	(211,259)	1,868,068	1,685,318
Benefit Payments, including Refunds of Employee Contributions	(1,098,375)	(822,819)	(765,084)
Administrative Expense	(46,291)	(43,005)	(31,140)
Net Change in Plan Fiduciary Net Position	(688,789)	1,793,418	1,727,436
Plan Fiduciary Net Position - Beginning	17,781,102	15,987,684	14,260,248
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,092,313</u>	<u>\$ 17,781,102</u>	<u>\$ 15,987,684</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 747,901</u>	<u>\$ (126,706)</u>	<u>\$ 577,900</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	95.81%	100.72%	96.51%
Covered Employee Payroll*	\$ 3,476,535	\$ 3,385,424	\$ 3,610,429
Net Pension Liability as a percentage of Covered Employee Payroll	21.51%	-3.74%	16.01%

Notes to Schedule:*Changes of benefit terms:*

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:

- 3.00% times Credited Service earned prior to May 27, 2003, plus
- 2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus
- 2.50% times Credited Service earned between October 1, 2009 and September 30, 2015, plus
- 3.00% times Credited Service earned on and after October 1, 2015.

**For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.*

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	416,591	532,189	562,144
Contributions in relation to the Actuarially Determined Contributions	416,591	532,189	562,144
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll*	\$ 3,476,535	\$ 3,385,424	\$ 3,610,429
Contributions as a percentage of Covered Employee Payroll	11.98%	15.72%	15.57%

*For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

Notes to Schedule

Valuation Date: 10/01/2013

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Frozen Entry Age Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	29 Years (as of 10/01/2013).
Asset Valuation:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0% per year.
Salary Increases:	5.2% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non-regular compensation.
Interest Rate:	7.75% per year, compounded annually, net of investment related expenses.
Payroll Growth Assumption:	2.9% annually for amortizing UAAL.
Cost-of-Living Adjustment:	None.
Retirement Age:	100% at first eligibility for Normal Retirement. Also, any Member who has reached Normal Retirement eligibility is assumed to continue employment for one additional year.
Early Retirement:	Commencing at eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 2% per year.
Termination Rates:	See table below.
Disability Rates:	See table below. It is assumed that 75% of disablements and active member deaths are service related.
Mortality:	RP-2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.00%	0.07%
30	7.50%	0.11%
40	3.90%	0.19%
50	1.20%	0.51%

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (126,706)	\$ 505,532	\$ -	\$ -
Total Pension Liability Factors:				
Service Cost	583,726	-	-	583,726
Interest	1,401,184	-	-	1,401,184
Changes in benefit terms	390,863	-	-	390,863
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(1,091,580)	1,091,580	-	-
Current year amortization of experience difference	-	(181,930)	-	(181,930)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments	(1,098,375)	-	-	(1,098,375)
Net change	<u>185,818</u>	<u>909,650</u>	<u>-</u>	<u>1,095,468</u>
Plan Fiduciary Net Position:				
Contributions - Employer	248,486	-	-	-
Contributions - State	168,105	-	-	(168,105)
Contributions - Employee	250,545	-	-	(250,545)
Net Investment Income	1,359,531	-	-	(1,359,531)
Difference between projected and actual earnings on Pension Plan investments	(1,570,790)	-	1,570,790	-
Current year amortization	-	(126,383)	(314,158)	187,775
Benefit Payments	(1,098,375)	-	-	1,098,375
Administrative Expenses	(46,291)	-	-	46,291
Net change	<u>(688,789)</u>	<u>(126,383)</u>	<u>1,256,632</u>	<u>(445,740)</u>
Ending Balance	<u>\$ 747,901</u>	<u>\$ 1,288,799</u>	<u>\$ 1,256,632</u>	<u>\$ 649,728</u>